ASSEMBLY BILL   No. 851

Introduced by Assembly Member Brownley

February 26, 2009

An act to amend Section 42238 of, to amend and repeal Sections 42238.21, 42238.22, 42241.2, and 42241.7 of, to amend, repeal, and add Sections 45023.1 and 45023.4 of, and to add Section 42238.485 to, the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 851, as introduced, Brownley. Education finance.

(1) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county pursuant to a specified formula based on the base revenue limit of the school district for the prior year, adjusted for inflation, and the average daily attendance for the entire school district.

This bill would require the base revenue limit for each school district for the 2010–11 fiscal year to include an adjustment, computed, as specified.

The bill would require the Superintendent of Public Instruction to calculate an add-on for each school district, as specified. The bill would require the Superintendent to calculate and apportion for each basic aid district, as defined, an amount equal to the amount computed pursuant to the provision referenced in (4) below.

(2) Existing law specifies that the revenue limit for the Newport-Mesa Unified School District will not include certain amounts that were not received by the district due to bankruptcy proceedings initiated by the County of Orange.

99

This bill would provide that these provisions would remain in effect only until July 1, 2010.

(3) Existing law creates the Santa Cruz High School attendance area, a program for middle school options to eliminate revenue limit inequities.

This bill would provide that these provisions would remain in effect only until July 1, 2010.

(4) Under existing law, in the computation of its revenue limit for the current fiscal year, a school district may add the amount computed in the preceding fiscal year for the Meals for Needy Pupils program.

This bill would provide that these provisions would remain in effect only until July 1, 2010.

(5) Existing law provides that the revenue limit of any elementary school district, high school district, or unified school district may be increased by an amount sufficient to provide additional revenue equal to the expenditures estimated to be incurred by the district in complying with provisions of the Unemployment Insurance Code.

This bill would provide that these provisions would remain in effect only until July 1, 2010.

(6) Existing law provides a revenue limit adjustment for a school district or county office of education that offers a minimum beginning teacher salary.

This bill would recast and revise these provisions to generally delete their application to school districts as of July 1, 2010.

(7) Existing law establishes the Jack O'Connell Beginning-Teacher Salary Incentive Program, under which a county superintendent of schools, or the county board of education, may increase the salary for certain teachers on its adopted certificated employee salary schedule, as specified. If a school district elects to meet specified requirements, it is eligible to receive an incentive amount.

This bill would recast and revise these provisions to generally delete their application to school districts as of July 1, 2010.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1   SECTION 1. (a) It is the intent of the Legislature to accomplish
2   all of the following:

1   (1) Address continuing concerns regarding the fragmentation
2 of funding sources and the need for flexibility in order to allow
3 local responses to the special needs of all pupils.
4   (2) Reduce the extensive amount of state and school district
5 administrative work required for the apportionment of general
6 purpose funds.
7   (3) Increase the transparency of the school funding system for
8 the educational community, policymakers, and parents.
9   (4) Simplify the state's education funding system.
10   (b) It is the intent of the Legislature to accomplish the goals set
11 forth in subdivision (a) by doing all of the following:
12   (1) Consolidating historical revenue limit adjustments that are
13 free of state-imposed restrictions or conditions, or in which all
14 school districts participate, into the calculation of the total revenue
15 limit amount to be apportioned to each school district pursuant to
16 Section 42238.
17   (2) Continuing to examine opportunities to consolidate school
18 funding and provide expenditure flexibility to school districts.
19   SEC. 2. Section 42238 of the Education Code is amended to
20 read:
21   42238. (a) For the 1984–85 fiscal year and each fiscal year
22 thereafter, the county superintendent of schools shall determine a
23 revenue limit for each school district in the county pursuant to this
24 section.
25   (b) The base revenue limit for a fiscal year shall be determined
26 by adding to the base revenue limit for the prior fiscal year the
27 following amounts:
28   (1) The inflation adjustment specified in Section 42238.1.
29   (2) For the 1995–96 fiscal year, the equalization adjustment
30 specified in Section 42238.4.
31   (3) For the 1996–97 fiscal year, the equalization adjustments
32 specified in Sections 42238.41, 42238.42, and 42238.43.
33   (4) For the 1985–86 fiscal year, the amount received per unit
34 of average daily attendance in the 1984–85 fiscal year pursuant to
35 Section 42238.7.
36   (5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the
37 amount per unit of average daily attendance received in the prior
38 fiscal year pursuant to Section 42238.8.
39   (6) For the 2004–05 fiscal year, the equalization adjustment
40 specified in Section 42238.44.

1 (7) For the 2006–07 fiscal year, the equalization adjustment
2 specified in Section 42238.48.
3 (8) For the 2011–12 fiscal year, the equalization adjustment
4 specified in Section 42238.49.
5 (c) Except for districts subject to subdivision (d), the
6 *(1) (A) For the 2010–11 fiscal year, the Superintendent shall*
7 *compute an add-on for each school district by adding the inflation*
8 *adjustment specified in Section 42238.1 to the adjustment specified*
9 *in Section 42238.485.*
10 *(B) For the 2010–11 fiscal year and each fiscal year thereafter,*
11 *the Superintendent shall compute an add-on for each school district*
12 *by adding the inflation adjustment specified in Section 42238.1 to*
13 *the adjustment to the add-on computed pursuant to this paragraph*
14 *for the prior fiscal year.*
15 *(2) Commencing with the 2010–11 fiscal year, the*
16 *Superintendent shall compute an add-on for each school district*
17 *by dividing each school district's fiscal year average attendance*
18 *computed pursuant to Section 42238.5 into the sum of the*
19 *following:*
20 *(A) Unemployment insurance adjustment revenues received by*
21 *each district for the 2007–08 fiscal year pursuant to Section*
22 *42241.7 as it read on January 1, 2009.*
23 *(B) Total adjustments in funding for each district made for the*
24 *2007–08 fiscal year pursuant to Section 42238.22 as it read on*
25 *January 1, 2009.*
26 *(d) The sum of the* base revenue limit computed pursuant to
27 subdivision (b) *and the and add-on computed pursuant to*
28 *subdivision (c)* shall be multiplied by the district average daily
29 attendance computed pursuant to Section 42238.5.
30 (d) (1) For districts for which the number of units of average
31 daily attendance determined pursuant to Section 42238.5 is greater
32 for the current fiscal year than for the 1982–83 fiscal year, compute
33 the following amount, in lieu of the amount computed pursuant to
34 subdivision (c):
35 (A) Multiply the base revenue limit computed pursuant to
36 subdivision (c) by the average daily attendance computed pursuant
37 to Section 42238.5 for the 1982–83 fiscal year.
38 (B) Multiply the lesser of the amount in subdivision (c) or 1.05
39 times the statewide average base revenue limit per unit of average
40 daily attendance for districts of similar type for the current fiscal

1 ~~year by the difference between the average daily attendance~~
2 ~~computed pursuant to Section 42238.5 for the current and 1982–83~~
3 ~~fiscal years.~~
4 ~~(C) Add the amounts in subparagraphs (A) and (B).~~
5 ~~(2) This subdivision shall become inoperative on July 1, 1998.~~
6 (e) For districts electing to compute units of average daily
7 attendance pursuant to paragraph (2) of subdivision (a) of Section
8 42238.5, the amount computed pursuant to Article 4 (commencing
9 with Section 42280) shall be added to the amount computed in
10 subdivision (c) or (d), as appropriate.
11 (f) For the 1984–85 fiscal year only, the county superintendent
12 shall reduce the total revenue limit computed in this section by the
13 amount of the decreased employer contributions to the Public
14 Employees' Retirement System resulting from enactment of
15 Chapter 330 of the Statutes of 1982, offset by any increase in those
16 contributions, as of the 1983–84 fiscal year, resulting from
17 subsequent changes in employer contribution rates.
18 (g) The reduction required by subdivision (f) shall be calculated
19 as follows:
20 (1) Determine the amount of employer contributions that would
21 have been made in the 1983–84 fiscal year if the applicable Public
22 Employees' Retirement System employer contribution rate in effect
23 immediately prior to the enactment of Chapter 330 of the Statutes
24 of 1982 was in effect during the 1983–84 fiscal year.
25 (2) Subtract from the amount determined in paragraph (1) the
26 greater of subparagraph (A) or (B):
27 (A) The amount of employer contributions that would have been
28 made in the 1983–84 fiscal year if the applicable Public
29 Employees' Retirement System employer contribution rate in effect
30 immediately after the enactment of Chapter 330 of the Statutes of
31 1982 was in effect during the 1983–84 fiscal year.
32 (B) The actual amount of employer contributions made to the
33 Public Employees' Retirement System in the 1983–84 fiscal year.
34 (3) For purposes of this subdivision, employer contributions to
35 the Public Employees' Retirement System for either of the
36 following shall be excluded from the calculation specified above:
37 (A) Positions supported totally by federal funds that were subject
38 to supplanting restrictions.
39 (B) Positions supported, to the extent of employer contributions
40 not exceeding twenty-five thousand dollars ($25,000) by ~~any~~ *a*

1 single educational agency, from a revenue source determined on
2 the basis of equity to be properly excludable from the provisions
3 of this subdivision by the Superintendent with the approval of the
4 Director of Finance.
5   (4) For accounting purposes, the reduction made by this
6 subdivision may be reflected as an expenditure from appropriate
7 sources of revenue as directed by the Superintendent.
8   (h) The Superintendent shall apportion to each school district
9 the amount determined in this section less the sum of:
10   (1) The district's property tax revenue received pursuant to
11 Chapter 3 (commencing with Section 75) and Chapter 6
12 (commencing with Section 95) of Part 0.5 of *Division 1 of* the
13 Revenue and Taxation Code.
14   (2) The amount, if any, received pursuant to Part 18.5
15 (commencing with Section 38101) of *Division 1 of* the Revenue
16 and Taxation Code.
17   (3) The amount, if any, received pursuant to Chapter 3
18 (commencing with Section 16140) of *Division 4 of Title 2 of* the
19 Government Code.
20   (4) Prior years' taxes and taxes on the unsecured roll.
21   (5) Fifty percent of the amount received pursuant to Section
22 41603.
23   (6) The amount, if any, received pursuant to the Community
24 Redevelopment Law (Part 1 (commencing with Section 33000)
25 of Division 24 of the Health and Safety Code), except for any
26 amount received pursuant to Section 33401 or 33676 of the Health
27 and Safety Code that is used for land acquisition, facility
28 construction, reconstruction, or remodeling, or deferred
29 maintenance, except for any amount received pursuant to Section
30 33492.15 *of*, paragraph (4) of subdivision (a) of Section 33607.5
31 *of*, or Section 33607.7 of, the Health and Safety Code that is
32 allocated exclusively for educational facilities.
33   (7) For a unified school district, other than a unified school
34 district that has converted all of its schools to charter status
35 pursuant to Section 47606, the amount of statewide average
36 general-purpose funding per unit of average daily attendance
37 received by school districts for each of four grade level ranges, as
38 computed by the department pursuant to Section 47633, multiplied
39 by the average daily attendance, in corresponding grade level
40 ranges, of any pupils who attend charter schools funded pursuant

1 to Chapter 6 (commencing with Section 47630) of Part 26.8 *of*
2 *Division 4* for which the district is the sponsoring local educational
3 agency, as defined in Section 47632, and who reside in and would
4 otherwise have been eligible to attend a noncharter school of the
5 district.
6 (i) A transfer of seventh and eighth grade pupils *of grades 7*
7 *and 8* between an elementary school district and a high school
8 district shall not result in the receiving district receiving a revenue
9 limit apportionment for those pupils that exceeds 105 percent of
10 the statewide average revenue limit for the type and size of the
11 receiving school district.
12 SEC. 3. Section 42238.21 of the Education Code is amended
13 to read:
14 42238.21. *(a)* Notwithstanding any other provision of law, for
15 the purposes of this article, the revenue limit for the Newport-Mesa
16 Unified School District for the 1996–97 fiscal year, and future
17 fiscal years, shall not include any amounts that should have been
18 allocated to the Newport-Mesa Unified School District in the
19 1994–95 fiscal year but that were not received by the district until
20 the 1996–97 fiscal year, and future fiscal years, due to the
21 bankruptcy proceedings initiated on December 6, 1994, by the
22 County of Orange by its filing of a voluntary Chapter 9 petition
23 in United States Bankruptcy Court, Case No. SA 94-22273-JR.
24 These amounts shall not be included in the revenue limit
25 computations for the 1996–97 fiscal year, and future fiscal years,
26 but these amounts shall be treated as being received by the
27 Newport-Mesa Unified School District in the 1994–95 fiscal year,
28 the 1995–96 fiscal year, or both.
29 *(b) This section shall remain in effect only until July 1, 2010,*
30 *and, as of January 1, 2011, is repealed, unless a later enacted*
31 *statute, that is enacted before January 1, 2011, deletes or extends*
32 *that date.*
33 SEC. 4. Section 42238.22 of the Education Code is amended
34 to read:
35 42238.22. (a) There is hereby created in the Santa Cruz High
36 School attendance area, a program for middle school options to
37 eliminate revenue limit inequities in the per pupil funding for
38 instructional programs for pupils in grades 7 and 8. Participation
39 is limited to the Santa Cruz High School District, the Live Oak
40 Elementary School District, and the Soquel Union Elementary

1 School District. The purpose of the program is to encourage and
2 enable these elementary school districts in this attendance area to
3 continue providing a middle school program, in addition to the
4 junior high school program operated by the high school district,
5 thereby increasing enrollment options for all pupils in grades 7
6 and 8.
7   (b) In order for these elementary school districts to receive an
8 addition to the revenue limit pursuant to subdivision (g), these
9 districts shall do all of the following:
10   (1) Continue to participate in a consortium with the Santa Cruz
11 High School District.
12   (2) At a minimum, all pupils in grades 7 and 8 in the
13 participating districts shall be provided with the option to enroll
14 in either a middle school operated by the elementary school district
15 or a junior high school operated by the high school district.
16   (3) Provide evidence to the Superintendent that the amount
17 computed and allocated pursuant to subdivision (g) will be used
18 only for pupils in grades 7 and 8.
19   (c) Participation by the districts in the consortium shall be
20 voluntary.
21   (d) For purposes of this section, the following definitions shall
22 apply:
23   *(1) "Junior high school program" means a departmentalized*
24 *program in which pupils in grades 7, 8, and 9 select classes based*
25 *on subject and move from classroom to classroom during the*
26 *schoolday.*
27   (1)
28   *(2)* "Middle school program" means a program in which teachers
29 teach a common core curriculum to the same group of pupils in
30 grades 6, 7, and 8, and provide a transition from self-contained
31 classroom education at the elementary level to subject-oriented,
32 departmentalized classrooms at the high school level.
33   (2) "Junior high school program" means a departmentalized
34 program in which pupils in grades 7, 8, and 9 select classes based
35 on subject and move from classroom to classroom during the
36 schoolday.
37   (e) A school district shall not deny a request for enrollment
38 made pursuant to this section unless space is not available in the
39 selected school or unless the choice would have a negative impact
40 on an existing desegregation plan.

1   (f) The average daily attendance of pupils participating in the
2 enrollment option pursuant to this section and attending the
3 elementary school districts shall be credited to the elementary
4 school district of residence for purposes of determining state
5 apportionments and revenue limits. The average daily attendance
6 of pupils attending the high school district shall be credited to the
7 Santa Cruz High School District.
8   (g) For the 1990–91 fiscal year for the Live Oak Elementary
9 School District and each fiscal year thereafter, and for the 1991–92
10 fiscal year for the Soquel Union Elementary School District and
11 each fiscal year thereafter, the Superintendent shall compute and
12 allocate an amount in addition to the revenue limit for each
13 elementary school district participating in the consortium, equal
14 to the following:
15   (1) Calculate the average of the base revenue limits per unit of
16 average daily attendance of the districts participating in the
17 consortium.
18   (2) From the average base revenue limit calculated in paragraph
19 (1), subtract the base revenue limit of the elementary school district
20 per unit of average daily attendance.
21   (3) If the result in paragraph (2) is a positive number, then
22 multiply the result in paragraph (2) by the average daily attendance
23 of the elementary school district in grades 7 and 8. That amount
24 shall be added to the total revenue limit computed for that district.
25 If the result in paragraph (2) is zero, or less than zero, then no
26 adjustment shall be computed for the district.
27   (h) If the elementary school district ceases to participate in the
28 consortium, the adjustment computed in this section shall no longer
29 be provided to that district.
30   *(i) This section shall remain in effect only until July 1, 2010,*
31 *and, as of January 1, 2011, is repealed, unless a later enacted*
32 *statute, that is enacted before January 1, 2011, deletes or extends*
33 *that date.*
34   SEC. 5. Section 42238.485 is added to the Education Code, to
35 read:
36   42238.485. (a) For the 2010–11 fiscal year, the Superintendent
37 shall compute an adjustment for each school district by dividing
38 each school district's 2007–08 fiscal year average daily attendance
39 into the sum of the following:

1   (1) Funding for Meals for Needy Pupils programs received by
2 the school district for the 2007–08 fiscal year pursuant to Section
3 42241.2, as it read on January 1, 2009.
4   (2) Funding incentives to increase beginning teachers' salaries
5 received by the school district for the 2007–08 fiscal year pursuant
6 to Sections 45023.1 and 45023.4, as those sections read on January
7 1, 2009.
8   (b) For purposes of this section, average daily attendance shall
9 be computed pursuant to Section 42238.5.
10   (c) Notwithstanding any other provision of this section, no
11 funding specified in this section shall be added to the adjustment
12 computed pursuant to subdivision (a) if that funding is currently
13 included in a school district's base revenue limit calculated
14 pursuant to Section 42238.
15   SEC. 6. Section 42241.2 of the Education Code is amended to
16 read:
17   42241.2. *(a)* A school district may add, in the computation of
18 the ~~district's~~ *district's* revenue limit pursuant to Section 42238 for
19 the current fiscal year, the amount computed in the preceding fiscal
20 year for Meals for Needy Pupils programs (Article 11 (commencing
21 with Section 49550) of Chapter 9 of Part ~~27)~~ *27 of Division 4*)
22 multiplied by 1.06, except that, commencing with the 1990–91
23 fiscal year, that amount ~~shall~~ instead *shall* be multiplied by the
24 sum of 1 plus the percentage change determined pursuant to
25 subdivision (b) of Section 42238.1.
26   *(b) This section shall remain in effect only until July 1, 2010,*
27 *and, as of January 1, 2011, is repealed, unless a later enacted*
28 *statute, that is enacted before January 1, 2011, deletes or extends*
29 *that date.*
30   SEC. 7. Section 42241.7 of the Education Code is amended to
31 read:
32   42241.7. (a) For the 1978–79 fiscal year, and each fiscal year
33 thereafter, the revenue limit of any elementary, high, or unified
34 school district authorized pursuant to ~~Sections 42237 and~~ *Section*
35 42238 may be increased by an amount sufficient to provide
36 additional revenue equal to the expenditures estimated to be
37 incurred by the district in the budget year in complying with the
38 following provisions of the Unemployment Insurance Code:
39 Sections 605 and 803, Article 6 (commencing with Section 821)
40 of Chapter 3 of Part 1 of Division 1, or Article 3 (commencing

1 with Section 976) of Chapter 4 of Part 1 of Division 1, less the
2 actual expenditures incurred by the district in the 1975–76 fiscal
3 year in complying with the following provisions of the
4 Unemployment Insurance Code: *former* Section 605.2 and Article
5 6 (commencing with Section 821) of Chapter 3 of Part 1 of
6 Division 1.
7 (b) If, at the end of ~~any~~ *a* fiscal year, the actual expenditures of
8 the district specified in subdivision (a) are less than the revenue
9 derived from the increase in revenue limit provided in subdivision
10 (a) for that fiscal year, the difference shall be used in the following
11 fiscal year exclusively for expenditures required pursuant to the
12 Unemployment Insurance Code provisions specified in subdivision
13 (a).
14 (c) If, at the end of ~~any~~ *a* fiscal year, the actual expenditures of
15 the district specified in subdivision (a) exceed the revenue derived
16 from the increase in revenue limit provided in subdivision (a) for
17 that fiscal year, the difference may be added to the increase in
18 revenue limit, authorized pursuant to this section, in the following
19 fiscal year.
20 (d) (1) For the 1994–95 to 2002–03 fiscal years, inclusive, the
21 adjustment computed pursuant to this section shall not be adjusted
22 by the deficit factor applied to the revenue limit of each school
23 district pursuant to Section 42238.145.
24 (2) For the 2003–04 fiscal year and each fiscal year thereafter,
25 the revenue limit reduction specified in Section 42238.146 may
26 not be applied to the adjustment computed pursuant to this section.
27 (e) Expenditures for employees of charter schools funded
28 pursuant to Article 2 (commencing with Section 47633) of Chapter
29 6 of Part 26.8 *of Division 4* are excluded from the calculations set
30 forth in this section.
31 *(f) This section shall remain in effect only until July 1, 2010,*
32 *and, as of January 1, 2011, is repealed, unless a later enacted*
33 *statute, that is enacted before January 1, 2011, deletes or extends*
34 *that date.*
35 SEC. 8. Section 45023.1 of the Education Code is amended to
36 read:
37 45023.1. (a) Commencing with the 2000–01 fiscal year, the
38 governing board of a school district, the county superintendent of
39 schools, or the county board of education may increase, for teachers
40 meeting the requirements prescribed by this section, the salary on

1   its adopted certificated employee salary schedule as provided in
2   subdivision (b). For purposes of this section, any teacher for whom
3   the governing board, county superintendent of schools, or county
4   board of education may increase salaries shall meet all of the
5   following criteria:
6   (1) Hold a valid California teaching credential, not including
7   an emergency permit, intern certificate or credential, or waiver.
8   (2) Possess a baccalaureate or higher degree.
9   (3) Receive a salary paid through the general fund of the district
10 or county office.
11   (b) The governing board, county superintendent of schools, or
12 county board of education that increases its salaries pursuant to
13 subdivision (a) shall perform *both of* the following computations:
14   (1) The governing board, county superintendent of schools, or
15 county board of education shall designate as the lowest salary on
16 the salary schedule for a certificated employee meeting the criteria
17 in subdivision (a) an amount that is at least an annual salary of
18 thirty-four thousand dollars ($34,000) in the 2000–01 fiscal year.
19   (2) The governing board, county superintendent of schools, or
20 county board of education shall increase to the annual salary
21 amount in paragraph (1) the salary of any certificated employee
22 meeting the criteria in subdivision (a) whose salary on the salary
23 schedule for the 1999–2000 fiscal year was less than the amount
24 computed in paragraph (1) and, notwithstanding Section 45028,
25 shall incorporate that increase into the salary schedule commencing
26 with the 2000–01 fiscal year.
27   (c) Each school district or county office of education that
28 increases its beginning teacher annual minimum salary to
29 thirty-four thousand dollars ($34,000) pursuant to subdivision (b)
30 shall elect, except as provided in subdivision (j), to receive
31 reimbursement for the cost of the increase pursuant to only one of
32 the following two options:
33   (1) Option One:
34   (A) In fiscal year 2000–01, a school district, county
35 superintendent of schools, or county office of education that
36 increases salaries pursuant to paragraph (2) of subdivision (b) and
37 selects reimbursement Option One shall receive an amount equal
38 to six dollars ($6) times the district's or county office's second
39 principal apportionment average daily attendance for the
40 1999–2000 fiscal year, excluding attendance in adult education

1 programs and charter schools participating in the charter school
2 block grant pursuant to Article 2 (commencing with Section 47633)
3 of Chapter 6 of Part 26.8 *of Division 4.*
4 (B) Divide the amount received from the state pursuant to
5 subparagraph (A) for the 2000–01 fiscal year by the school district
6 or county office of education second principal apportionment
7 average daily attendance for the 1999–2000 fiscal year, excluding
8 attendance in adult education programs and charter schools
9 participating in the charter school block grant pursuant to Article
10 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 *of*
11 *Division 4.*
12 (C) For the 2001–02 fiscal year and each fiscal year thereafter,
13 for each school district that increases its salaries pursuant to
14 subdivision (a), the Superintendent ~~of Public Instruction~~ shall sum
15 the results of ~~paragraphs~~ *clauses* (i) and (ii) and add that figure to
16 the total school district revenue limit computed pursuant to Section
17 42238:
18 (i) Annually increase the funding rate per unit of average daily
19 attendance specified in subparagraph (B) by the percentage increase
20 pursuant to subdivision (b) of Section 42238.1, and multiply the
21 resulting product by the school district's second principal
22 apportionment average daily attendance for the current fiscal year
23 excluding attendance in regional occupational centers/programs,
24 adult education programs, and charter schools participating in the
25 charter school block grant pursuant to Article 2 (commencing with
26 Section 47633) of Chapter 6 of Part 26.8 *of Division 4.*
27 (ii) Annually increase the funding rate per unit of average daily
28 attendance specified in subparagraph (B) by the percentage increase
29 pursuant to subdivision (b) of Section 42238.1, and multiply the
30 resulting product by the school district's second principal
31 apportionment average daily attendance for the current fiscal year
32 in regional occupational centers/programs excluding attendance
33 in charter schools participating in the charter school block grant
34 pursuant to Article 2 (commencing with Section 47633) of Chapter
35 6 of Part 26.8 *of Division 4.*
36 (D) For the 2001–02 fiscal year and each fiscal year thereafter,
37 for each county office of education that increases its salaries
38 subdivision (a), the Superintendent ~~of Public Instruction~~ shall add
39 the sum of ~~paragraphs~~ *clauses* (i) and (ii) to the county office of
40 education revenue limit computed pursuant to Section 2550:

1   (i) Annually increase the funding rate per unit of average daily
2 attendance specified in subparagraph (B) by the percentage increase
3 identified pursuant to Section 2557, and multiply the resulting
4 product by the county office of education's second principal
5 apportionment average daily attendance for the current fiscal year
6 excluding attendance in regional occupational centers/programs,
7 adult education programs, and charter schools participating in the
8 charter school block grant pursuant to Article 2 (commencing with
9 Section 47633) of Chapter 6 of Part 26.8 *of Division 4*.
10   (ii) Annually increase the funding rate per unit of average daily
11 attendance specified in subparagraph (B) by the percentage increase
12 identified pursuant to Section 2557, and multiply the resulting
13 product by the county office of education's second principal
14 apportionment average daily attendance for the current fiscal year
15 in regional occupational centers/programs excluding attendance
16 in charter schools participating in the charter school block grant
17 pursuant to Article 2 (commencing with Section 47633) of Chapter
18 6 of Part 26.8 *of Division 4*.
19   (E) The school district, county superintendent of schools, or
20 county office of education shall utilize these incentive funds not
21 only to meet the new beginning teacher annual minimum salary
22 of thirty-four thousand dollars ($34,000), but ~~may~~ also *may* use
23 the funds to generally enhance teachers' salaries in order to achieve
24 the goals of retention of qualified, competent, and experienced
25 teachers and the attainment of a reasonable salary commensurate
26 with a teacher's experience, education, and responsibilities.
27   (2) Option Two: A school district, county superintendent of
28 schools, or county office of education may submit a request to the
29 Superintendent ~~of Public Instruction~~, on a form supplied by the
30 Superintendent ~~of Public Instruction~~, for state funding computed
31 as follows:
32   (A) Total the salaries of all certificated employees receiving
33 increased salaries up to a maximum of thirty-four thousand dollars
34 ($34,000) per person pursuant to subdivision (b) for the 2000–01
35 fiscal year.
36   (B) Total all salaries, based on the salary schedule for the
37 2000–01 fiscal year before the increase made pursuant to
38 subdivision (b), of all certificated employees receiving increased
39 salaries pursuant to subdivision (b).

1   (C) Subtract the amount in subparagraph (B) from the amount
2 in subparagraph (A).
3   (D) Multiply the amount in subparagraph (C) by the district's
4 statutory benefit rates.
5   (E) For the 2000–01 fiscal year, a school district, county
6 superintendent of schools, or county office of education that
7 increases salaries pursuant to paragraph (2) of subdivision (b) and
8 selects reimbursement Option Two shall receive the sum of
9 ~~paragraphs~~ *subparagraphs* (C) and (D).
10   (F) Divide the sum of the amounts received pursuant to
11 ~~paragraphs~~ *subparagraphs* (C) and (D) for the 2000–01 fiscal year
12 by the school district and county office of education average daily
13 attendance for the second principal apportionment for the 2000–01
14 fiscal year, excluding attendance in adult education programs and
15 charter schools participating in the charter school block grant
16 pursuant to Article 2 (commencing with Section 47633) of Chapter
17 6 of Part 26.8 *of Division 4*.
18   (G) For the 2001–02 fiscal year and each fiscal year thereafter,
19 for each school district that increases its salaries pursuant to
20 subdivision (a), the Superintendent ~~of Public Instruction~~ shall sum
21 the results of ~~paragraphs~~ *clauses* (i) and (ii) and add that figure to
22 the total school district revenue limit computed pursuant to Section
23 42238:
24   (i) Annually increase the funding rate per unit of average daily
25 attendance calculated pursuant to subparagraph (F) by the
26 percentage increase pursuant to subdivision (b) of Section 42238.1*,*
27 and multiply the resulting product by the school district's second
28 principal apportionment average daily attendance for the current
29 fiscal year excluding attendance in regional occupational
30 centers/programs, adult education programs, and charter schools
31 participating in the charter school block grant pursuant to Article
32 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 *of*
33 *Division 4*.
34   (ii) Annually increase the funding rate per unit of average daily
35 attendance calculated pursuant to subparagraph (F) by the
36 percentage increase pursuant to subdivision (b) of Section 42238.1*,*
37 and multiply the resulting product by the school district's second
38 principal apportionment average daily attendance for the current
39 fiscal year in regional occupational centers/programs excluding
40 attendance in charter schools participating in the charter school

1 block grant pursuant to Article 2 (commencing with Section 47633)
2 of Chapter 6 of Part 26.8 *of Division 4.*
3   (H) For the 2001–02 fiscal year and each fiscal year thereafter,
4 for each county office of education that increases its salaries
5 subdivision (a), the Superintendent ~~of Public Instruction~~ shall add
6 the sum of ~~paragraphs~~ *clauses* (i) and (ii) to the county office of
7 education revenue limit computed pursuant to Section 2550:
8   (i) Annually increase the funding rate per unit of average daily
9 attendance calculated pursuant to subparagraph (F) by the
10 percentage increase identified pursuant to Section 2557*,* and
11 multiply the resulting product by the county office of education's
12 second principal apportionment average daily attendance for the
13 current fiscal year excluding attendance in regional occupational
14 centers/programs, adult education programs, and charter schools
15 participating in the charter school block grant pursuant to Article
16 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 *of*
17 *Division 4.*
18   (ii) Annually increase the funding rate per unit of average daily
19 attendance calculated pursuant to subparagraph (F) by the
20 percentage increase identified pursuant to Section 2557*,* and
21 multiply the resulting product by the county office of education's
22 second principal apportionment average daily attendance for the
23 current fiscal year in regional occupational centers/programs
24 excluding attendance in charter schools participating in the charter
25 school block grant pursuant to Article 2 (commencing with Section
26 47633) of Chapter 6 of Part 26.8 *of Division 4.*
27   (d) Any state funds received pursuant to this section and not
28 used pursuant to the conditions of this section shall be returned to
29 the state.
30   (e) If the funds requested by the school districts, the county
31 superintendents of schools, and the county offices of education
32 for the 2000–01 fiscal year exceed the state appropriation for this
33 section, the Superintendent ~~of Public Instruction~~ shall reduce all
34 requests by the application of a single, common percentage factor
35 for apportionment purposes, so as not to exceed the amount
36 appropriated for this purpose.
37   (f) A school district or county office of education shall receive
38 reimbursement pursuant to subdivision (c) only. However, this
39 section does not prohibit a school district and its employees from
40 negotiating salary schedules.

1   (g) The adjustments to school district and county office of
2 education revenue limits prescribed in subparagraphs (C) and (D)
3 of paragraph (1) of subdivision (c) and subparagraphs (G) and (H)
4 of paragraph (2) of subdivision (c), respectively, shall continue so
5 long as the increase in the salary schedule made pursuant to
6 paragraph (2) of subdivision (b) or subdivision (i) is maintained.
7   (h) The Superintendent ~~of Public Instruction~~ shall issue
8 appropriate forms to school districts and county offices of
9 education no later than September 1, 2000. School districts, county
10 superintendents of schools, or county offices of education shall
11 notify the Superintendent ~~of Public Instruction~~ no later than
12 September 30, 2001, regarding which option they wish to exercise
13 for the 2000–01 fiscal year. School districts, county superintendents
14 of schools, or county offices of education shall file their claim
15 form for state funds with the Superintendent ~~of Public Instruction~~
16 no later than September 30, 2001.
17   (i) Adjustments made to school district or county office of
18 education revenue limits pursuant to subparagraphs (C) and (D)
19 of paragraph (1) of subdivision (c) and subparagraphs (G) and (H)
20 of paragraph (2) of subdivision (c), respectively, shall not be
21 considered part of the base revenue limit for the purpose of
22 computing equalization adjustments or determining other
23 wealth-related differences in school funding.
24   (j) Notwithstanding subdivision (c), a school district or county
25 office of education that already has as the annual minimum salary
26 for beginning teachers who meet the criteria in subdivision (a) in
27 an amount equal to or greater than thirty-four thousand dollars
28 ($34,000) shall be eligible to receive reimbursement pursuant to
29 Option One.
30   *(k) This section shall become inoperative on July 1, 2010, and,*
31 *as of January 1, 2011, is repealed, unless a later enacted statute,*
32 *that becomes operative on or before January 1, 2011, deletes or*
33 *extends the dates on which it becomes inoperative and is repealed.*
34   SEC. 9. Section 45023.1 is added to the Education Code, to
35 read:
36   45023.1. (a) Commencing with the 2000–01 fiscal year, the
37 county superintendent of schools or the county board of education
38 may increase, for teachers meeting the requirements prescribed
39 by this section, the salary on its adopted certificated employee
40 salary schedule as provided in subdivision (b). For purposes of

1 this section, a teacher whose salary may be increased by the county
2 superintendent of schools or county board of education shall meet
3 all of the following criteria:
4   (1) Hold a valid California teaching credential, not including
5 an emergency permit, intern certificate or credential, or waiver.
6   (2) Possess a baccalaureate or higher degree.
7   (3) Receive a salary paid through the general fund of the county
8 office.
9   (b) The county superintendent of schools or county board of
10 education that increases its salaries pursuant to subdivision (a)
11 shall perform both of the following computations:
12   (1) The county superintendent of schools or county board of
13 education shall designate as the lowest salary on the salary schedule
14 for a certificated employee meeting the criteria in subdivision (a)
15 an amount that is at least an annual salary of thirty-four thousand
16 dollars ($34,000) in the 2000–01 fiscal year.
17   (2) The county superintendent of schools or county board of
18 education shall increase to the annual salary amount in paragraph
19 (1) the salary of any certificated employee meeting the criteria in
20 subdivision (a) whose salary on the salary schedule for the
21 1999–2000 fiscal year was less than the amount computed in
22 paragraph (1) and, notwithstanding Section 45028, shall incorporate
23 that increase into the salary schedule commencing with the
24 2000–01 fiscal year.
25   (c) Each county office of education that increases its beginning
26 teacher annual minimum salary to thirty-four thousand dollars
27 ($34,000) pursuant to subdivision (b) shall elect, except as provided
28 in subdivision (j), to receive reimbursement for the cost of the
29 increase pursuant to only one of the following two options:
30   (1) Option One:
31   (A) In fiscal year 2000–01, a county superintendent of schools
32 or county office of education that increases salaries pursuant to
33 paragraph (2) of subdivision (b) and selects reimbursement Option
34 One shall receive an amount equal to six dollars ($6) multiplied
35 by the county office's second principal apportionment average
36 daily attendance for the 1999–2000 fiscal year, excluding
37 attendance in adult education programs and charter schools
38 participating in the charter school block grant program pursuant
39 to Article 2 (commencing with Section 47633) of Chapter 6 of
40 Part 26.8 of Division 4.

1 (B) Divide the amount received from the state pursuant to
2 subparagraph (A) for the 2000–01 fiscal year by the county office
3 of education second principal apportionment average daily
4 attendance for the 1999–2000 fiscal year, excluding attendance in
5 adult education programs and charter schools participating in the
6 charter school block grant program pursuant to Article 2
7 (commencing with Section 47633) of Chapter 6 of Part 26.8 of
8 Division 4.
9 (C) For the 2001–02 fiscal year and each fiscal year thereafter,
10 for each county office of education that increases its salaries
11 pursuant to subdivision (a), the Superintendent shall add the sum
12 of clauses (i) and (ii) to the county office of education revenue
13 limit computed pursuant to Section 2550:
14 (i) Annually increase the funding rate per unit of average daily
15 attendance specified in subparagraph (B) by the percentage increase
16 identified pursuant to Section 2557, and multiply the resulting
17 product by the county office of education's second principal
18 apportionment average daily attendance for the current fiscal year
19 excluding attendance in regional occupational centers/programs,
20 adult education programs, and charter schools participating in the
21 charter school block grant program pursuant to Article 2
22 (commencing with Section 47633) of Chapter 6 of Part 26.8 of
23 Division 4.
24 (ii) Annually increase the funding rate per unit of average daily
25 attendance specified in subparagraph (B) by the percentage increase
26 identified pursuant to Section 2557, and multiply the resulting
27 product by the county office of education's second principal
28 apportionment average daily attendance for the current fiscal year
29 in regional occupational centers/programs excluding attendance
30 in charter schools participating in the charter school block grant
31 program pursuant to Article 2 (commencing with Section 47633)
32 of Chapter 6 of Part 26.8 of Division 4.
33 (D) The county superintendent of schools or county office of
34 education shall utilize these incentive funds not only to meet the
35 new beginning teacher annual minimum salary of thirty-four
36 thousand dollars ($34,000), but also may use the funds to generally
37 enhance teachers' salaries in order to achieve the goals of retention
38 of qualified, competent, and experienced teachers and the
39 attainment of a reasonable salary commensurate with a teacher's
40 experience, education, and responsibilities.

1   (2) Option Two: A county superintendent of schools or county
2 office of education may submit a request to the Superintendent,
3 on a form supplied by the Superintendent, for state funding
4 computed as follows:
5   (A) Total the salaries of all certificated employees receiving
6 increased salaries up to a maximum of thirty-four thousand dollars
7 ($34,000) per person pursuant to subdivision (b) for the 2000–01
8 fiscal year.
9   (B) Total all salaries, based on the salary schedule for the
10 2000–01 fiscal year before the increase made pursuant to
11 subdivision (b), of all certificated employees receiving increased
12 salaries pursuant to subdivision (b).
13   (C) Subtract the amount in subparagraph (B) from the amount
14 in subparagraph (A).
15   (D) Multiply the amount in subparagraph (C) by the statutory
16 benefit rates.
17   (E) For the 2000–01 fiscal year, a county superintendent of
18 schools or county office of education that increases salaries
19 pursuant to paragraph (2) of subdivision (b) and selects
20 reimbursement Option Two shall receive the sum of subparagraphs
21 (C) and (D).
22   (F) Divide the sum of the amounts received pursuant to
23 subparagraphs (C) and (D) for the 2000–01 fiscal year by the
24 county office of education average daily attendance for the second
25 principal apportionment for the 2000–01 fiscal year, excluding
26 attendance in adult education programs and charter schools
27 participating in the charter school block grant program pursuant
28 to Article 2 (commencing with Section 47633) of Chapter 6 of
29 Part 26.8 of Division 4.
30   (G) For the 2001–02 fiscal year and each fiscal year thereafter,
31 for each county office of education that increases its salaries
32 pursuant to subdivision (a), the Superintendent shall add the sum
33 of clauses (i) and (ii) to the county office of education revenue
34 limit computed pursuant to Section 2550:
35   (i) Annually increase the funding rate per unit of average daily
36 attendance calculated pursuant to subparagraph (F) by the
37 percentage increase identified pursuant to Section 2557, and
38 multiply the resulting product by the county office of education's
39 second principal apportionment average daily attendance for the
40 current fiscal year excluding attendance in regional occupational

1 centers/programs, adult education programs, and charter schools
2 participating in the charter school block grant program pursuant
3 to Article 2 (commencing with Section 47633) of Chapter 6 of
4 Part 26.8 of Division 4.
5   (ii) Annually increase the funding rate per unit of average daily
6 attendance calculated pursuant to subparagraph (F) by the
7 percentage increase identified pursuant to Section 2557, and
8 multiply the resulting product by the county office of education's
9 second principal apportionment average daily attendance for the
10 current fiscal year in regional occupational centers/programs
11 excluding attendance in charter schools participating in the charter
12 school block grant program pursuant to Article 2 (commencing
13 with Section 47633) of Chapter 6 of Part 26.8 of Division 4.
14   (d) Any state funds received pursuant to this section and not
15 used pursuant to the conditions of this section shall be returned to
16 the state.
17   (e) If the funds requested by the county superintendents of
18 schools and the county offices of education for the 2000–01 fiscal
19 year exceed the state appropriation for this section, the
20 Superintendent shall reduce all requests by the application of a
21 single, common percentage factor for apportionment purposes, so
22 as not to exceed the amount appropriated for this purpose.
23   (f) A county office of education shall receive reimbursement
24 pursuant to subdivision (c) only.
25   (g) The adjustments to county office of education revenue limits
26 prescribed in subparagraphs (C) and (D) of paragraph (1) of
27 subdivision (c) and subparagraphs (G) and (H) of paragraph (2)
28 of subdivision (c), respectively, shall continue so long as the
29 increase in the salary schedule made pursuant to paragraph (2) of
30 subdivision (b) or subdivision (i) is maintained.
31   (h) The Superintendent shall issue appropriate forms to county
32 offices of education no later than September 1, 2000. County
33 superintendents of schools, or county offices of education shall
34 notify the Superintendent no later than September 30, 2001,
35 regarding which option they wish to exercise for the 2000–01 fiscal
36 year. County superintendents of schools or county offices of
37 education shall file their claim forms for state funds with the
38 Superintendent no later than September 30, 2001.
39   (i) Adjustments made to county office of education revenue
40 limits pursuant to subparagraph (C) of paragraph (1) of subdivision

1 (c) and subparagraph (G) of paragraph (2) of subdivision (c),
2 respectively, shall not be considered part of the base revenue limit
3 for the purpose of computing equalization adjustments or
4 determining other wealth-related differences in school funding.
5   (j) Notwithstanding subdivision (c), a county office of education
6 that already has as the annual minimum salary for beginning
7 teachers who meet the criteria in subdivision (a) in an amount
8 equal to or greater than thirty-four thousand dollars ($34,000) shall
9 be eligible to receive reimbursement pursuant to Option One.
10   (k) This section shall become operative on July 1, 2010.
11   SEC. 10. Section 45023.4 of the Education Code is amended
12 to read:
13   45023.4. (a) This section shall be known, and may be cited,
14 as the Jack O'Connell Beginning-Teacher Salary Incentive
15 Program. Commencing in the 1999–2000 fiscal year the governing
16 board of a school district, the county superintendent of schools,
17 or the county board of education may increase, for teachers who
18 meet the requirements of this subdivision, the salary on its adopted
19 certificated employee salary schedule as provided in subdivision
20 (b). ~~Any~~ *A* school district that elects to meet the requirements of
21 this section shall be eligible to receive the incentive amount
22 provided by subdivision (c). For purposes of this section, ~~any~~ *a*
23 teacher for whom the governing board, county superintendent of
24 schools, or county board of education may increase salaries shall
25 meet all of the following criteria:
26   (1) Hold a valid California teaching credential, not including
27 an emergency permit, intern permit, or waiver.
28   (2) Possess a baccalaureate or higher degree.
29   (3) Receive a salary paid from the general fund of the *school*
30 district or county office *of education*.
31   (b) The governing board, county superintendent of schools, or
32 county board of education that elects to increase teachers' salaries
33 as authorized pursuant to subdivision (a) shall perform the
34 following computations:
35   (1) The governing board, county superintendent of schools, or
36 county board of education shall designate as the lowest salary on
37 the salary schedule for a certificated employee meeting or
38 exceeding the criteria in subdivision (a) an amount equal to a
39 minimum annual salary of thirty-two thousand dollars ($32,000).
40 If this salary change results in costs to the school district or county

1   office of education that are equal to or greater than the incentive
2   received pursuant to subdivision (c), the minimum salary shall be
3   thirty-two thousand dollars ($32,000). If this salary change results
4   in costs to the school ~~districts or county offices~~ *district or county*
5   *office* of education that are less than the incentive received, the
6   remainder shall be used to increase the beginning salary by an
7   amount above thirty-two thousand dollars ($32,000) which fully
8   applies the incentive received.
9   (2) The governing board, county superintendent of schools, or
10 county board of education shall increase to the annual salary
11 amount in paragraph (1) the salary of ~~any~~ *a* certificated employee
12 meeting the criteria in subdivision (a) whose salary on the salary
13 schedule is less than the amount computed in paragraph (1) and,
14 notwithstanding Section 45028, shall incorporate that increase into
15 the salary schedule.
16   (3) The newly adopted salary schedule shall contain only one
17 cell that meets the amount set forth in paragraph (1), which most
18 often is the first-year step of a salary schedule column for
19 certificated personnel who meet the criteria set forth in subdivision
20 (a). All other salary schedule cells shall exceed the level set forth
21 in paragraph (1) for personnel ~~that~~ *who* meet the criteria in
22 subdivision (a).
23   (c) In the 1999–2000 fiscal year, the Superintendent ~~of Public~~
24 ~~Instruction~~ shall divide the amount appropriated for the purposes
25 of this section by the 1998–99 second principal apportionment
26 average daily attendance for all school districts and county offices
27 of education in the state. Each school district and county office of
28 education that certifies to the Superintendent ~~of Public Instruction~~
29 that it is in full compliance with this section shall receive following
30 that certification an amount equal to the results of the calculation
31 multiplied by the ~~participating school district's or county office's~~
32 1998–99 second principal apportionment average daily attendance.
33   (d) For the 2000–01 fiscal year and each fiscal year thereafter,
34 for each school district that meets the requirements of subdivision
35 (b), the Superintendent ~~of Public Instruction~~ shall sum the results
36 of paragraphs (1) and (2) and add that figure to the total school
37 district revenue limit computed pursuant to Section 42238.
38   (1) Annually increase the statewide average funding rate per
39 unit of average daily attendance calculated pursuant to subdivision
40 (c) by the percentage increase computed pursuant to subdivision

1 (b) of Section 42238.1 and multiply the resulting product by the
2 school district's second period average daily attendance for the
3 prior fiscal year excluding attendance in regional occupational
4 centers and programs, adult education programs, and charter
5 schools participating in the charter school block grant pursuant to
6 Article 2 (commencing with Section 47633) of Chapter 6 of Part
7 26.8 *of Division 4*.
8 (2) Annually increase the statewide average funding rate per
9 unit of average daily attendance calculated pursuant to subdivision
10 (c) by the percentage increase computed pursuant to subdivision
11 (b) of Section 42238.1 and multiply the resulting product by the
12 school district's second period average daily attendance for the
13 prior fiscal year in regional occupational centers and programs,
14 excluding attendance in charter schools participating in the charter
15 school block grant *program* pursuant to Article 2 (commencing
16 with Section 47633) of Chapter 6 of Part 26.8 *of Division 4*.
17 (e) For the 2000–01 fiscal year and each fiscal year thereafter,
18 for each county office of education that meets the requirements of
19 subdivision (b), the Superintendent ~~of Public Instruction~~ shall add
20 the sum of paragraphs (1) and (2) to the county office of education
21 revenue limit computed pursuant to Section 2550.
22 (1) Annually increase the statewide average funding rate per
23 unit of average daily attendance calculated pursuant to subdivision
24 (c) by the percentage increase identified pursuant to Section 2557
25 and multiply the resulting product by the county office of
26 education's second period average daily attendance for the prior
27 fiscal year excluding attendance in regional occupational centers
28 or programs, adult education programs, and charter schools
29 participating in the charter school block grant *program* pursuant
30 to Article 2 (commencing with Section 47633) of Chapter 6 of
31 Part 26.8 *of Division 4*.
32 (2) Annually increase the statewide average funding rate per
33 unit of average daily attendance calculated pursuant to subdivision
34 (c) by the percentage increase identified pursuant to Section 2557
35 and multiply the resulting product by the county office of
36 education's second period average daily attendance for the prior
37 fiscal year in regional occupational centers or programs excluding
38 attendance in charter schools participating in the charter school
39 block grant *program* pursuant to Article 2 (commencing with
40 Section 47633) of Chapter 6 of Part 26.8.

1   (f) The adjustment to the school district and county office of
2 education revenue limit prescribed in subdivisions (d) and (e) shall
3 continue so long as the increase in the salary schedule made
4 pursuant to paragraph (2) of subdivision (b) is maintained.
5   (g) The adjustment made to school district or county office of
6 education revenue limits pursuant to subdivisions (d) and (e) shall
7 not be considered part of the base revenue limit for purposes of
8 computing equalization adjustments or determining other
9 differences in school funding that are based on the amount of
10 funding received by a school district or county office of education.
11   (h) This section does not prohibit a school district and its
12 employees from negotiating salary schedules.
13 *(i) This section shall become inoperative on July 1, 2010, and,*
14 *as of January 1, 2011, is repealed, unless a later enacted statute,*
15 *that becomes operative on or before January 1, 2011, deletes or*
16 *extends the dates on which it becomes inoperative and is repealed.*
17   SEC. 11. Section 45023.4 is added to the Education Code, to
18 read:
19   45023.4. (a) (1) This section shall be known, and may be
20 cited, as the Jack O'Connell Beginning-Teacher Salary Incentive
21 Program. Commencing in the 1999–2000 fiscal year the county
22 superintendent of schools or the county board of education may
23 increase, for teachers who meet the requirements of this
24 subdivision, the salary on its adopted certificated employee salary
25 schedule as provided in subdivision (b).
26   (2) For purposes of this section, a teacher whose salary may be
27 increased by the county superintendent of schools or county board
28 of education shall meet all of the following criteria:
29   (A) Hold a valid California teaching credential, not including
30 an emergency permit, intern permit, or waiver.
31   (B) Possess a baccalaureate or higher degree.
32   (C) Receive a salary paid from the general fund of the county
33 office of education.
34   (b) The county superintendent of schools or county board of
35 education that elects to increase teachers' salaries as authorized
36 pursuant to subdivision (a) shall perform the following
37 computations:
38   (1) The county superintendent of schools or county board of
39 education shall designate as the lowest salary on the salary schedule
40 for a certificated employee meeting or exceeding the criteria in

1 subdivision (a) an amount equal to a minimum annual salary of
2 thirty-two thousand dollars ($32,000). If this salary change results
3 in costs to the county office of education that are equal to or greater
4 than the incentive received pursuant to subdivision (c), the
5 minimum salary shall be thirty-two thousand dollars ($32,000). If
6 this salary change results in costs to the county office of education
7 that are less than the incentive received, the remainder shall be
8 used to increase the beginning salary by an amount above
9 thirty-two thousand dollars ($32,000) which fully applies the
10 incentive received.
11   (2) The county superintendent of schools or county board of
12 education shall increase to the annual salary amount in paragraph
13 (1) the salary of any certificated employee meeting the criteria in
14 subdivision (a) whose salary on the salary schedule is less than
15 the amount computed in paragraph (1) and, notwithstanding Section
16 45028, shall incorporate that increase into the salary schedule.
17   (3) The newly adopted salary schedule shall contain only one
18 cell that meets the amount set forth in paragraph (1), which most
19 often is the first-year step of a salary schedule column for
20 certificated personnel who meet the criteria set forth in subdivision
21 (a). All other salary schedule cells shall exceed the level set forth
22 in paragraph (1) for personnel that meet the criteria in subdivision
23 (a).
24   (c) In the 1999–2000 fiscal year, the Superintendent shall divide
25 the amount appropriated for the purposes of this section by the
26 1998–99 second principal apportionment average daily attendance
27 for all county offices of education in the state. Each county office
28 of education that certifies to the Superintendent that it is in full
29 compliance with this section shall receive following that
30 certification an amount equal to the results of the calculation
31 multiplied by the participating county office's 1998–99 second
32 principal apportionment average daily attendance.
33   (d) For the 2000–01 fiscal year and each fiscal year thereafter,
34 for each county office of education that meets the requirements of
35 subdivision (b), the Superintendent shall add the sum of paragraphs
36 (1) and (2) to the county office of education revenue limit
37 computed pursuant to Section 2550.
38   (1) Annually increase the statewide average funding rate per
39 unit of average daily attendance calculated pursuant to subdivision
40 (c) by the percentage increase identified pursuant to Section 2557,

1   and multiply the resulting product by the county office of
2   education's second period average daily attendance for the prior
3   fiscal year excluding attendance in regional occupational centers
4   or programs, adult education programs, and charter schools
5   participating in the charter school block grant program pursuant
6   to Article 2 (commencing with Section 47633) of Chapter 6 of
7   Part 26.8 of Division 4.
8   (2) Annually increase the statewide average funding rate per
9   unit of average daily attendance calculated pursuant to subdivision
10 (c) by the percentage increase identified pursuant to Section 2557,
11 and multiply the resulting product by the county office of
12 education's second period average daily attendance for the prior
13 fiscal year in regional occupational centers or programs excluding
14 attendance in charter schools participating in the charter school
15 block grant program pursuant to Article 2 (commencing with
16 Section 47633) of Chapter 6 of Part 26.8 of Division 4.
17 (e) The adjustment to the county office of education revenue
18 limit prescribed in subdivision (d) shall continue so long as the
19 increase in the salary schedule made pursuant to paragraph (2) of
20 subdivision (b) is maintained.
21 (f) The adjustment made to county office of education revenue
22 limits pursuant to subdivision (d) shall not be considered part of
23 the base revenue limit for purposes of computing equalization
24 adjustments or determining other differences in school funding
25 that are based on the amount of funding received by a county office
26 of education.
27 (g) This section shall become operative on July 1, 2010.

O